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SAPC 17853

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2 August 1957

MEMORANDUM FOR THE RECORD

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SUBJECT: Definitive Contract No. OS-100 with Hycon Mfg. Company,
Pasadena, California, Project 2 (A) (AQUATONE).

1. This memorandum contains a recommendation submitted for approval of the Project Director. Said recommendation is included in paragraph 5.

2. Definitive Contract No. OS-100 replaces the Letter Contract with the subject company which was accepted by them on 22 May 1956. The contract covers the furnishing overseas of Non-Personal Contract Technical Services Personnel who were trained under FS-99. The Letter Contract has been funded in the total amount of \$778,119.10 which is the estimated amount for the services rendered from the period of inception (1 April 1956) through 30 June 1958. The definitive contract sets forth an amount of \$774,329.01, of which \$444,329.01 is subject to price redetermination downward only. An audit is presently being made and it is anticipated that negotiations to redetermine the actual amount due for services rendered for the period of 1 April 1956 through 30 June 1957 will be concluded in the next month. The final price for the above period will be reflected in an amendment to this definitive contract.

3. The contract amount of \$774,329.01 does not include the total amount for overseas differential due technical personnel upon completion of PCS duty at an overseas installation. The Contractor will include the additional amount required for overseas differential pay in his proposal which will be submitted shortly. The proposal will also set forth the basis for establishing fixed man-month rates for the period beginning 1 July 1957. The definitive contract provides that \$330,000 funded for the period 1 July 1957 through 30 June 1958 will be subject to negotiation to determine whether the new period will be reimbursed on a fixed man-month basis or subject to price redetermination.

4. The definitive contract amount is \$3,790.09 less than the obligation for the letter contract. This decrease results in a lower final proposal than was originally estimated by the Contractor for the period 1 April 1956 through 30 June 1956. This amount is covered

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NO CHANGE IN CLASS. X

DECLASSIFIED

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by 1956 AQUATONE funds. It is recommended that this amount remain as an obligation until the final amount for overseas differential is known.

5. Approval of Definitive Contract No. OS-100 and execution thereof on behalf of the Agency by the authorized Project Contracting Officer is recommended.

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Contracting Officer

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CONCURRENCES:

 8/2/57
Director of D and P

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 2 Aug 57
Comptroller

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 5 Aug 57
Director of Administration

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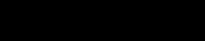
 5 Aug 57
for General Counsel

Approval requested in
paragraph 5, granted.

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Distribution:

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